

GENERAL ASSEMBLY OF NORTH CAROLINA

SESSION 1995

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HOUSE JOINT RESOLUTION 883

Sponsors: Representatives Arnold; and Hurley.

Referred to: Rules, Calendar & Operations of the House.

April 12, 1995

1 A JOINT RESOLUTION AUTHORIZING THE LEGISLATIVE RESEARCH
2 COMMISSION TO STUDY LOCAL GOVERNMENT REVENUE OPTIONS
3 SUBJECT TO LOCAL REFERENDUM.

4 Whereas, over the past 10 years, the elimination of the federal revenue-
5 sharing program, federal legislation increasing local government mandates, and
6 population growth have created needs for additional local government revenue; and

7 Whereas, during the same period, State legislation has eliminated portions of
8 the property tax base; and

9 Whereas, there is clearly a need to study and catalogue unfunded local
10 mandates; and

11 Whereas, the State's reimbursements to local governments along with State-
12 shared revenues cost the General Fund several hundred million dollars each year but are
13 subject to reduction in times of State budget deficits; and

14 Whereas, local governments have advised that they cannot meet their revenue
15 needs or achieve fiscal independence without their own revenue options; and

16 Whereas, local revenue needs and appropriate revenue sources can vary from
17 one locality to the next; and

18 Whereas, local government units in North Carolina must seek State approval
19 for new sources of revenue; and

20 Whereas, the General Assembly has been advised by local governments that
21 local governments may need a menu of alternative local revenue sources;

22 Now, therefore, be it resolved by the House of Representatives, the Senate concurring:

1 Section 1. The Legislative Research Commission is authorized to study the
2 need for additional local government revenue sources to supplement the property tax,
3 local sales and use taxes, and other existing revenue sources and to recommend whether
4 additional options, if any, shall be subject to a vote of the people of the local unit. The
5 Commission may review recent changes in federal and State law that have reduced
6 financial assistance to local governments, created needs for increased expenditures, and
7 restricted the property tax base. The Commission may develop proposed options for
8 local revenue sources and, in doing so, should consider the fiscal impact of each
9 proposal, how to simplify the administration of each proposal, how to reduce the
10 burden on businesses, individuals, and the Department of Revenue in complying with
11 each proposal, and other practical and legal issues associated with the proposals. When
12 the recommendations of the Commission, if enacted, would result in an increase or
13 decrease in State or local tax revenues, the report of the Commission shall include an
14 estimate of the amount of the increase or decrease.

15 Sec. 2. The Commission may call upon the Department of Revenue and the
16 State Treasurer and upon units of local government to cooperate with it in its study.

17 Sec. 3. The Commission shall make a final report of its recommendations to
18 the 1997 General Assembly and may make an interim report to the 1996 Regular
19 Session of the 1995 General Assembly.

20 Sec. 4. This resolution is effective upon ratification.